

**China's commerce minister warns against over-expansion**  
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A company logo of Chaori Solar is seen at the 12th China Photovoltaic Conference and International Photovoltaic Exhibition in Beijing, September 5, 2012. Loss-making Chinese solar equipment producer Chaori Solar said it will not be able to meet interest payments on bonds due today in what would be the country's first-ever domestic bond default, and possibly the first of many. China's commerce minister today warned industries and companies not to over-expand, after the collapse last year of a key unit of the world's biggest solar firm.

The country's decades-long boom has turned it into the world's second-largest economy and a key driver of global growth, but at the same time major internal imbalances have developed.

China's Suntech Power, once the world's biggest maker of solar cells and panels, sought market share by driving down prices to levels some competitors claim were loss-making.

However, its main Chinese unit, Wuxi Suntech, filed for bankruptcy last March with debts of hundreds of millions of dollars.

"What we should take into account is that some industries should not develop overly fast, particularly expand blindly," Gao Hucheng told reporters.

"They should not either rely on the foreign market for the majority of their product sales," he added.

Disputes over solar panels shook trade relations between China and the European Union and United States last year, which accuse Beijing of unfairly subsidising the industry.

The sector is still hampered by fallout from overproduction combined with falling prices for cells and panels.

China's first-ever default on a domestic corporate bond was anticipated today as Shanghai-based Chaori Solar Energy Science & Technology said Tuesday it was unable to make full bond interest payments due today.

Gao's comments came at a news conference on the sidelines of the annual session of the National People's Congress, China's Communist Party-led parliament.

On Wednesday, Premier Li Keqiang announced a growth target of "around 7.5%" for this year and reiterated the importance of fostering consumer demand.

China's leadership is vowing to transform the country's economic growth model away from an over-reliance on often wasteful investment projects and instead make private demand the driver for the country's future development.

Asked about the Trans-Pacific Partnership (TPP), a huge US-led free trade area currently under negotiation which so far excludes China, Gao said that Beijing has an open attitude to global trade and investment deals.

"We think the TPP is an important negotiation and an FTA of high standard," Gao said.

"China pays great attention to the progress of the TPP negotiations and is assessing the situations of the talks. We are also maintaining communications with the major negotiating parties." – AFP, March 7, 2014.

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